Supreme Court, U. S.
FILED
JAN 31 1979
MICHAEL RODAK, JR., CLERK

IN THE

Supreme Court of The United States

OCTOBER TERM, 1978

No. 78-692

PRO ARTS, INC. and STOP AND SHOP COMPANIES, INC.,
Petitioners,

v.

FACTORS ETC., INC. and BOXCAR ENTERPRISES, INC.,
Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

RESPONDENTS' BRIEF IN OPPOSITION

MICHAEL C. SILBERBERG
645 Fifth Avenue
New York, New York 10022
(213) 935-9800

ARTHUR FIELDS AND
EDWARD A. WOODS
9401 Wilshire Boulevard
Beverly Hills, California 90212
(213) 273-6333
Attorneys for Respondents

INDEX

Page

TABLE OF AUTHORITIES iii

OPINIONS BELOW 1

QUESTIONS PRESENTED BY PETITION 2

STATEMENT OF THE CASE 2

REASONS WHY THE WRIT SHOULD BE DENIED 5

1. NO REASON EXISTS FOR THE GRANT OF CERTIORARI SINCE THE OPINION AND RATIONALE OF THE *ZACCHINI* CASE ARE FULLY DETERMINATIVE OF THE ISSUES PRESENTED BY PETITIONERS 5

A. Petitioners' Commercial Souvenir Posters Do Not Constitute a Legitimate Effort to Disseminate News, Are Not Equivalent to Posters Which Do Communicate Ideas or Disseminate Newsworthy Information and Therefore Are Not Entitled to the Same First Amendment Protection 6

B. Since Petitioners Have Presented No Meaningful Distinctions Between *Zacchini* and the Instant Case, *Zacchini* Controls and the Petition Should Be Denied 15

C. The *Paulsen* and *Current Audio* Opinions Relied Upon By Petitioners Are Consistent with *Zacchini* and the Decisions Below ... 17

Page

2. NO QUESTIONS RAISED BY PETITIONERS IN THE INSTANT CASE WERE LEFT UNANSWERED IN *ZACCHINI* 20

3. THE INJUNCTION ENTERED AGAINST PETITIONERS IS SUFFICIENTLY NARROW TO RESTRAIN PETITIONERS WITHOUT ANY ABROGATION OF FIRST AMENDMENT RIGHTS 21

CONCLUSION 22

APPENDIX AA-1

TABLE OF AUTHORITIES

Cases Page

Baldwin v. Redwood City, 540 F.2d 1360 (9th Cir. 1976), *cert. denied*, 431 U.S. 913 (1977) 12

Bates v. State Bar of Arizona, 433 U.S. 350 (1977) 7, 14

Current Audio, Inc. v. RCA Corporation, 71 Misc.2d 831, 337 N.Y.S.2d 949 (Sup.Ct. 1972) 10, 17, 18

Factors Etc., Inc. and Boxcar Enterprises, Inc. v. Creative Card Co., et al., 444 F.Supp. 279 (S.D.N.Y. 1977) 1, 2

Glasson v. City of Louisville, 518 F.2d 899 (6th Cir. 1975), *cert. denied*, 423 U.S. 930 (1975) 7, 13

Groucho Marx Productions, Inc. v. Playboy Enterprises, Inc. (No. 77-1782, S.D.N.Y. 1977) 18

Guglielmi v. Spelling-Goldberg Prods., 140 Cal. Rptr. 775 (Cal.Ct.App., 2nd App.Dist. 1977) ... 12

Haelan Laboratories, Inc. v. Topps Chewing Gum, Inc., 202 F.2d 866 (2d Cir. 1953), *cert. denied*, 346 U.S. 816 (1953) 4, 7

Hernandez v. Hanson, 430 F.Supp. 1154 (D.Neb. 1977) 13

Hicks, et al. v. Casablanca, et al., 77 Civ. 5399 (LWP) (S.D.N.Y., filed September 19, 1978) 11

Joseph Burstyn, Inc. v. Wilson, 343 U.S. 495 (1952) 11

Man v. Warner Bros., Inc., 317 F.Supp. 50 (S.D.N.Y. 1970) 11

Paulsen v. Personality Posters, Inc., 59 Misc.2d 444, 299 N.Y.S.2d 501 (Sup.Ct. 1968) 4, 5, 17, 18

Rosemont Enterprises, Inc. v. Urban Systems, Inc., 72 Misc.2d 788, 340 N.Y.S.2d 144 (1973) 18

Page

Spinar v. United States, 440 F.2d 1241 (8th Cir. 1971) 13

Universal City Studios v. Ideal, 3 Media Law Reporter 1297 (S.D.N.Y. 1977) 11

University of Notre Dame du Lac v. Twentieth Century Fox Film Corp., 22 A.D. 2d 452, 256 N.Y.S.2d 301 (1965) 11

Winters v. New York, 333 U.S. 507 (1948) 11

Zacchini v. Scripps-Howard Broadcasting Co., 433 U.S. 562, 97 S.Ct. 2849 (1977) . . 4, 6, 10, 15, 16, 17, 19, 20

U.S. Constitutional Amendments:

Amendment I 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 18, 20, 21

Miscellaneous

91 Harvard Law Review 208-214 (1977) 15

IN THE

Supreme Court of The United States

OCTOBER TERM, 1978

No. 78-692

PRO ARTS, INC. and STOP AND SHOP COMPANIES, INC.,
Petitioners,

v.

FACTORS ETC., INC. and BOXCAR ENTERPRISES, INC.,
Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

RESPONDENTS' BRIEF IN OPPOSITION

The respondents Factors Etc., Inc. and Boxcar Enterprises, Inc. respectfully request that this Court deny the petition for writ of certiorari seeking review of the Second Circuit's opinion in this case. That opinion is reported at 579 F.2d 215 and is reprinted in Appendix C of the petition.

OPINIONS BELOW

The opinion of the United States District Court for the Southern District of New York granting a preliminary injunction is reported at 444 F.Supp. 288 and is reprinted in Appendix A of the petition. That opinion recites that the instant action was a companion action to *Factors Etc.*,

Inc. and Boxcar Enterprises, Inc. v. Creative Card Co., et al., which is reported at 444 F.Supp. 279, and the findings and reasonings of the *Creative Card* opinion were specifically incorporated in the District Court opinion in the instant action. The *Creative Card* opinion is reprinted in Appendix AA of this Brief in Opposition.*

QUESTIONS PRESENTED BY PETITION

1. Do petitioners have an absolute First Amendment privilege to mass merchandise their unauthorized celebrity souvenir poster bearing Elvis Presley's photograph which would otherwise constitute an appropriation of his judicially recognized "right of publicity" merely because the poster was distributed in the days immediately following Mr. Presley's death and bears the legend "In Memory . . . 1935-1977"?

2. Does an injunction restraining petitioners from selling or distributing an unauthorized celebrity souvenir poster of Elvis Presley or otherwise *utilizing for commercial profit* Mr. Presley's name, image or likeness constitute an impermissibly overbroad restraint of their First Amendment rights?

STATEMENT OF THE CASE

This petition is filed with respect to an Order of the Court of Appeals of the Second Circuit which affirmed an Order of the United States District Court for the Southern District of New York, Charles H. Tenney, J., granting respondents' motion for a preliminary injunction. That injunction restrains petitioners during the pendency of this action from further sale or distribution of their unauthorized commercial souvenir poster of

* References to the appendices in the petition and this Brief in Opposition are prefaced with the appendix letter(s) followed by the page number (e.g., A1, C3, AA5).

the renowned entertainer Elvis Presley and from otherwise utilizing *for commercial profit*, the name, image or likeness of Mr. Presley, who met a tragic and untimely death on August 16, 1977.

This action is jointly brought by Boxcar Enterprises, Inc. ("Boxcar"), a Tennessee corporation, to which Mr. Presley during his lifetime transferred, and which he thereafter utilized as the vehicle to commercially exploit, his judicially recognized "right of publicity" and by Factors Etc., Inc. ("Factors"). (C-2 and C-3). Factors, a Delaware corporation, is one of the world's largest mass merchandisers of novelty items, specializing in the commercial exploitation of celebrities' "rights of publicity". On August 18, 1977, two days after Elvis Presley's death, Factors acquired from Boxcar, by written license agreement, the exclusive right to commercially exploit Mr. Presley's name and likeness "in connection with the manufacture, sale, advertising and distribution of all merchandise, of whatever kind, size or nature". This agreement was confirmed and consented to by Mr. Presley's long-time personal manager, Colonel Tom Parker, and Mr. Vernon Presley, Elvis' father and the executor of his estate, which will benefit substantially from the royalties paid by Factors (C-3). Factors paid Boxcar $100,000 on execution of the agreement against a guarantee of $150,000.

Immediately upon Presley's death, petitioner Pro Arts, Inc. ("Pro Arts") decided to illegally appropriate for itself a share of the market for Elvis Presley memorabilia. (C-3). Three days after Presley's death, Pro Arts published and commenced marketing, without authority from anyone related to the Presley interests, a pictorial celebrity souvenir poster of Elvis Presley using a photograph, the copyright of which it claims to have purchased from a staff photographer of the Atlanta (Georgia) Journal. On the poster were inserted the words "In

Memory . . . 1935-1977". The poster was thereafter sold by petitioner Stop and Shop Companies, Inc. through one of its divisions. (C-3 and C-4).

The Decisions Below

In carefully reasoned opinions filed in the instant action and a companion action brought against Creative Card Co., the District Court held that respondents had satisfied each of the tests entitling them to preliminary injunctive relief. Relying upon the Second Circuit's landmark decision in *Haelan Laboratories, Inc. v. Topps Chewing Gum, Inc.*, 202 F.2d 866 (2d Cir. 1953), *cert. denied*, 346 U.S. 816 (1953), and the recent United States Supreme Court opinion in *Zacchini v. Scripps-Howard Broadcasting Co.*, 433 U.S. 562, 97 S.Ct. 2849 (1977), the District Court held that the death of Elvis Presley did not operate to divest Boxcar of the rights it had acquired from Mr. Presley during his lifetime, that Mr. Presley possessed a valuable "right of publicity" which "inhered in and was exercised by [him] in his lifetime . . . was assignable by him and was so assigned, that it survived his death and was capable of further assignment." (AA-7).

The District Court premised its finding of irreparable injury upon (a) the "evanescent" nature of the market for Presley memorabilia, (b) the "rush to capitalize on the Presley image in [the] post-mortem period" and (c) the jeopardy to Factors' licensing program by Factors' "inability to grant exclusive rights" due to the presence of [petitioners'] goods in the marketplace. (AA-13).

The District Court held that petitioners' reliance for a First Amendment newsworthy privilege upon *Paulsen v. Personality Posters, Inc.*, 59 Misc.2d 444, 299 N.Y.S.2d 501 (Sup.Ct. 1968), was "far off the mark" since *Paulsen* was "decided in favor of the unlicensed poster manufacturer because Paulsen's choice of the *politicai arena* for satire made him 'newsworthy' in the first amendment

sense." (AA-11 and AA-12; emphasis added). In a footnote the court also remarked that *Paulsen* had since been held "unique to its facts" by the very court which decided it. (AA-12). The Court concluded that "there is no constitutional protection for selling posters of Elvis Presley as Elvis Presley". (AA-12).

On appeal petitioners did "not challenge the trial court's finding of possible irreparable harm", but only its finding that respondents "had demonstrated probable success on the merits." (C-8)

The Court of Appeals affirmed the District Court opinion, holding that petitioners had "demonstrated a strong likelihood of success on the merits at trial" (C-15), and that Boxcar's exclusive right to commercially exploit Presley's name and likeness was exercised during Presley's life, survived his death and was validly transferred to Factors (C-14). The Court of Appeals also summarily rejected petitioners' assertion that pursuant to *Paulsen*, petitioners were privileged under the First Amendment to print and distribute their own Elvis Presley poster as a means of expression concerning a "newsworthy event" (C-14). The Court held that it could not "accept [petitioners'] contention that the legend 'In Memory . . .' placed its poster in the same category as one picturing a presidential candidate, albeit a mock candidate." (C-15).

REASONS WHY THE WRIT SHOULD BE DENIED

1. NO REASON EXISTS FOR THE GRANT OF CERTIORARI SINCE THE OPINION AND RATIONALE OF THE *ZACCHINI* CASE ARE FULLY DETERMINATIVE OF THE ISSUES PRESENTED BY PETITIONERS.

The Supreme Court has already held that a state constitutionally may prohibit the unauthorized appropriation of an entertainer's "right of publicity" even where the

appropriation constitutes a legitimate effort to communicate newsworthy information and the unauthorized appropriator is a recognized member of the communications media. *Zacchini v. Scripps-Howard Broadcasting Co.*, 433 U.S. 562, 97 S.Ct. 2849 (1977). In *Zacchini* the Court held that even a television station does not enjoy an absolute First Amendment privilege to utilize for its newscasts newsworthy events if that use constitutes an appropriation of an individual's right of publicity.

It is respectfully submitted that the opinion and rationale of *Zacchini* are fully determinative of the issues presented by petitioners, and that, in fact, the instant action presents a much stronger case than *Zacchini* for the prohibition of an unauthorized appropriation of an entertainer's "right of publicity" since (1) petitioners' souvenir posters do *not* constitute a *legitimate effort to disseminate news* and (2) even assuming *arguendo* that a photograph of Elvis Presley and the years of his birth and death were newsworthy information, petitioners unquestionably have utilized that information *solely* for the purpose of *commercial exploitation* in derogation of respondents' right of publicity.

A. Petitioners' Commercial Souvenir Posters Do Not Constitute a Legitimate Effort to Disseminate News, Are Not Equivalent to Posters Which Do Communicate Ideas or Disseminate Newsworthy Information and Therefore Are Not Entitled to the Same First Amendment Protection.

Petitioners buttress their argument seeking a grant of certiorari on the unspoken and unwarranted assumption that mass merchandised celebrity souvenir posters are legally indistinguishable from posters which communicate or disseminate newsworthy information or seek to inform or encourage the dissemination of ideas. It is respectfully submitted that petitioners' mere invocation of the word "poster" to describe their souvenir merchandise is insufficient to attach to their celebrity souvenir posters the protection traditionally afforded by the First Amendment.

Petitioners' assertion that their celebrity poster is constitutionally privileged because it carries a "message of public interest" is baseless (petition, p. 9). *Petitioners do not seek to inform the public.* Petitioners are mass merchandisers interested only in profiting from the sale to the public of a "remembrance" of Elvis Presley.[1] The poster petitioners wish to peddle is no different than the Elvis Presley buttons, badges, tote bags and T-shirts sold by other mass merchandisers. Petitioners' celebrity poster is intended as a memento in the same sense that the personal scarves Presley flung to adoring fans at his concerts were intended as mementos. Respondents respectfully submit that even petitioners would not assert a constitutional privilege for such items.

The rationale supporting First Amendment protection of political posters and commercial advertising is wholly inapposite to celebrity posters, memorabilia and souvenir merchandise. Even petitioners do not suggest that their personality posters communicate any ideas or views about "important public questions and policies" or serve "individual and societal interests in assuring informed and reliable decision-making". *Glasson v. City of Louisville,* 518 F.2d 899 (6th Cir. 1975), *cert. denied,* 423 U.S. 930 (1975); *Bates v. State Bar of Arizona,* 433 U.S. 350 (1977). The medium of posters as a means of political expression and dissent is *not* the medium of celebrity souvenir posters. In fact, petitioners' celebrity souvenir posters are merely enlarged bubble gum cards, such as those involved in *Haelan Laboratories, Inc. v. Topps Chewing Gum, Inc.*, 202 F.2d 866 (2d Cir. 1953), *cert.*

[1] Since petitioners' souvenir merchandise is unauthorized, petitioners need not pay any royalties to respondent Boxcar. Thus, petitioners are really attempting to unfairly compete with respondents by selling souvenir merchandise at a lower price.

denied, 346 U.S. 816 (1953), and about which there can be no serious claim of First Amendment privilege.[2]

In their attempts to assert constitutional protection for their souvenir merchandise, petitioners have boxed themselves into a corner from which they cannot be extricated. If petitioners are asserting that their souvenir poster is constitutionally protected under the First Amendment because posters are a medium entitled to such protection without further analysis, then it is irrelevant whether petitioners affixed any message to the poster. However, as demonstrated herein, the medium of posters as a means of political expression is *not* the medium of celebrity souvenir posters. Thus, constitutional protection does not attach automatically to a souvenir item labelled "a poster". On the other hand, if petitioners are contending that it is their use of their souvenir poster which entitles them to First Amendment protection, because it carries a message of public interest, then it would follow that any other item of souvenir merchandise which also carried that message would be entitled to equal constitutional protection. Thus, under petitioners' theory, any ash tray, wastebasket, bedspread, button, badge or tote bag embossed with a picture of Elvis Presley and the words "In Memory... 1935-1977" would be entitled to First Amendment protection. It is respectfully submitted that such a position is preposterous.

It also would flow from petitioners' contention that if Presley were still alive and became married or a parent, petitioners would be entitled to claim a First Amendment privilege to manufacture, distribute and sell, without Presley's consent, a celebrity poster or other merchandise portraying Presley and his wife and/or children imprinted with the appropriate marriage and birth

[2] Petitioners certainly cannot be suggesting that an unauthorized manufacturer of bubble gum baseball cards would be deserving of First Amendment protection against a claim of infringement on the ground that the cards provided players' statistics.

dates.[3] Respondents respectfully submit that such arguments are untenable.

Petitioners' suggestion that their celebrity souvenir poster is a legitimate effort to disseminate news is a thinly transparent sham. Petitioners are seeking refuge behind the protective skirts of the First Amendment in order to engage in the crassest commercial rip-off. To argue that the addition of the words "In memory . . . 1935-1977" affords petitioners First Amendment protection for their celebrity souvenir poster makes a mockery of the First Amendment and ignores petitioners' patent and belated efforts to cloak their purely commercial activities in the protective mantle of the First Amendment.

Petitioners have sought to commercially capitalize on Elvis Presley's death by selling an unauthorized souvenir poster which they *could not and did not do during Presley's life*. Petitioners' arguments in the District Court and Court of Appeals evidenced their belief that they could defend their production and sale of unauthorized celebrity souvenir posters on the theory that Presley's right of publicity was personal and died with him. However, as both lower courts opined, Presley's right of publicity was assignable by him, was so assigned, survived his death and was validly transferred to respondent Factors. Having been rejected in their underlying theory, in an effort to seek the aid of a higher court petitioners now attempt to fashion a constitutional argument out of whole cloth, by suggesting that they were engaged in a legitimate effort to disseminate news.

[3] Respondents doubt that petitioners wish to *concede* that the accidental death or divorce of one of *their* major commercial poster properties such as Farrah Fawcett-Majors would permit others to immediately market competing posters, thereby destroying their exclusive rights, as long as the appropriator affixed a "magical" label to the poster.

Petitioners must assume the grossest naivete of this Court to ask it to believe that petitioners' purpose in manufacturing and selling their celebrity souvenir poster was to convey "a message of public interest". In reality, petitioners' purpose from the outset can be simply described: to obtain something for nothing. The Court in *Zacchini* addressed this precise question when it said that:

> "[The rationale of protecting the right of publicity is] one of preventing unjust enrichment by the theft of good will. *No social purpose is served by having the defendant get free some aspect of the plaintiff that would have market value and for which he would normally pay.*" 433 U.S. at 576 (See also AA-9, C-10 and C-11). (emphasis added).

Petitioners' obvious intent was to capitalize upon the substantial demand for Elvis Presley memorabilia *immediately* upon his death without having to pay anything for such right. The rationale espoused by the Court in *Zacchini* prohibits such acts and petitioners' belated effort to claim constitutional protection for their crass conduct rings hollow.

It is well established that souvenir merchandise and ordinary subjects of commerce such as petitioners' celebrity poster do not communicate ideas or opinions and are not afforded constitutional protection. Although it is clear that "entertainment, as well as news, enjoys First Amendment protection" (*Zacchini* at 578), it is also true that none of the cases cited by petitioners afford protection to, or even mention, celebrity posters or other souvenir merchandise. Rather, the cases cited by petitioners deal with (a) press conferences, "the very symbol of a free and open press" (see *Current Audio, Inc. v. RCA Corporation,* 71 Misc.2d 831, 337 N.Y.S.2d 949 (Sup.Ct.

1972); (b) magazines (see *Winters v. New York,* 333 U.S. 507 (1948), *Universal City Studios v. Ideal,* 3 Media Law Reporter 1297 (S.D.N.Y. 1977); and (c) motion pictures, see *Joseph Burstyn, Inc. v. Wilson,* 343 U.S. 495 (1952), *Man v. Warner Bros., Inc.,* 317 F.Supp. 50 (S.D.N.Y. 1970), and *University of Notre Dame du Lac v. Twentieth Century Fox Film Corp.,* 22 A.D. 2d 452, 256 N.Y.S. 2d 301 (1965), in which the court specifically said:

> "It is at once apparent, when we deal with the content of a *book or motion picture,* that we deal with *no ordinary subject of commerce. Motion pictures,* as well as *books,* are 'a significant medium for the communication of ideas.' (emphasis added).

Two recent cases involving an entertainer's right of publicity and defendants' claimed First Amendment privileges, one from the District Court for the Southern District of New York and the other from the Court of Appeals in the State of California, evidence further judicial recognition of the obvious distinction between (a) celebrity posters and related items of souvenir merchandise and (b) other media legitimately entitled to First Amendment protection.

In *Hicks, et al. v. Casablanca, et al.,* 77 Civ. 5399 (LWP), filed September 19, 1978, the District Court for the Southern District of New York faced the question with respect to Agatha Christie of "whether the right of publicity attaches where the name or likeness is used in connection with a book or movie". The court there stated that:

> ". . . [M]ore so than *posters, bubble gum cards, or some other such 'merchandise',* books and movies are vehicles through which ideas and opinions are disseminated and, as such, have enjoyed certain constitutional

protections, *not* generally accorded 'merchandise'." (emphasis added; p.6)

In *Guglielmi v. Spelling-Goldberg Prods.*, 140 Cal.Rptr. 775 (Cal.Ct.App., 2nd App.Dist. 1977), the Court, in considering the claim of Rudolph Valentino's heir to the late actor's surviving right of publicity and protesting the contents of a biography produced by defendants, stated that:

> *"The public policy grounds for allowing biographies, however unauthorized, are different from those regarding the issuance of posters or sweatshirts emblazoned with the likeness of the deceased celebrity."* (emphasis added)

Thus, both California and New York courts have acknowledged a distinction between books and motion pictures on the one hand and sweatshirts, bubble gum cards and celebrity souvenir posters on the other hand, based upon the obvious recognition that ideas and opinions are disseminated through the former but not the latter, as a result of which the latter are not entitled to constitutional immunity from an otherwise valid misappropriation claim.

Significantly none of the cases cited by petitioners for the proposition that celebrity souvenir posters are a medium of expression entitled to protection under the First Amendment deal with mass merchandised celebrity souvenir posters, except perhaps *Paulsen, supra,* which has been limited by the very court which decided it to its "unique facts" and is readily distinguished below (see pp. 17-19).

In *Baldwin v. Redwood City,* 540 F.2d 1360 (9th Cir. 1976), *cert. denied,* 431 U.S. 913 (1977), cited by petitioners, the Court invalidated an ordinance restricting

the display of *political campaign posters* on public thoroughfares on the ground that the First Amendment protected the expression of *political opinions.*

In *Glasson v. City of Louisville,* 518 F.2d 899 (6th Cir. 1975), *cert. denied,* 423 U.S. 930 (1975), the Court affirmed plaintiff's constitutional rights to hold up a *political protest poster* along a motorcade route scheduled to be traveled by the President of the United States when the message on the sign expressed plaintiff's "views about *important public questions and policies.*" 518 F.2d at 904 (emphasis added).

The only issue before the court in *Spinar v. United States,* 440 F.2d 1241 (8th Cir. 1971), also relied upon by petitioners, was whether certain posters were obscene under the prevailing standards established by the United States Supreme Court. Since the question of obscenity is not before this Court, it is respectfully submitted that *Spinar* has no application to the instant action.

Hernandez v. Hanson, 430 F.Supp. 1154 (D. Neb. 1977), is also inapposite. That case dealt with the validity of a local school board regulation requiring approval prior to the dissemination on campus of certain literature. Although the Court found nothing *per se* unreasonable under the First Amendment about requiring prior approval of written distributions, it articulated the policy reasons supporting an open or less restricted distribution, emphasizing that "a public school is a market place of ideas and early involvement in debate and comment and free exchange is essential to the development of the democratic spirit necessary to the proper functioning of our government". 430 F.Supp. at 1158. The rationale favoring unrestricted distribution of literature on school campuses does not apply to the unrestricted sale of celebrity souvenir posters in the instant case. Petitioners surely cannot seriously assert that their celebrity souvenir poster of Elvis Presley is intended to or in fact will generate

"debate and comment and [a] free exchange [of ideas] essential to the development of the democratic spirit necessary to the proper functioning of our government."

Petitioners also rely upon an excerpt from a footnote in a dissenting opinion in *Bates v. State Bar of Arizona*, 433 U.S. 350 (1977), to support their contention that celebrity posters are entitled to First Amendment protection. *Bates*, which struck down restraints on attorney price advertising, discussed the basis underlying the protection afforded *commercial speech* in certain instances:

> "Significant societal interests are served by such speech [which] . . . serves to inform the public of the availability, nature, and prices of products and services, and thus performs an indispensable role in the allocation of resources in a free enterprise system. [citations]. In short, such speech serves individual and societal interests in assuring informed and reliable decisionmaking." 97 S.Ct. at 2699.

Bates is inapplicable to the instant case for at least two reasons. First, petitioners' celebrity souvenir posters do not even rise to the level of commercial speech, which itself is protectible only in certain instances. Second, and more importantly, none of the reasons favoring the protection of commercial speech, including serving "individual and societal interests to assure informed and reliable decisionmaking", apply to the sale of an Elvis Presley souvenir poster.

Petitioners' citation to a footnote in the dissenting opinion of Justice Powell (petition, p. 7) is somewhat misleading to the extent it suggests that the Court or Justice Powell stated that there is no distinction for First Amendment purposes between newspapers and celebrity souvenir posters. A review of the entire footnote indicates that Justice Powell suggested that there is no distinction *for purposes of attorney price advertising* between newspapers and other media *which might contain that information.* (97 S.Ct. at 2718).

Thus, all of the cases cited by petitioners for the proposition that "*posters* are media of expression entitled to protection under the First Amendment" (petition, p. 6) involve posters which communicate ideas, disseminate newsworthy information, or serve important societal interests in decisionmaking. In contrast, the District Court below correctly recognized that the issue before it related to rights respecting commercial exploitation of "souvenir merchandise" (AA-2, AA-14 and AA-19). The Court of Appeals concurred, repeatedly referring to rights to market Presley "memorabilia". (C-2, C-3, C-14, and C-15).

B. Since Petitioners Have Presented No Meaningful Distinctions Between *Zacchini* and the Instant Case, *Zacchini* Controls and the Petition Should Be Denied.

Although even petitioners acknowledge that *Zacchini* is the controlling case on the issue before the Court, they suggest four grounds of distinction between the instant action and *Zacchini*. However, it can readily be seen that no meaningful distinctions exist. Therefore the rationale of *Zacchini* mandates a denial of the petition.

Petitioners first argue that in *Zacchini* a performer's "entire act" was appropriated. However, an analysis of the Court's opinion indicates that the question of whether an "entire act" is appropriated is not a workable test, and that the critical issues are the *nature of the use* made and the damage caused by the appropriation. See 91 Harvard L.Rev. 208-214 (1977). Petitioners' crass commercial exploitation of Presley's right of publicity and the damage caused thereby are clearly prohibited by *Zacchini*.[4]

[4] It is submitted that *Zacchini* would not have been decided differently if the television station had instead sold unauthorized souvenir posters of Mr. Zacchini.

With respect to the second claimed distinction, that the television station in *Zacchini* could have arranged its "own cannonball act", it is just as evident that petitioners could have arranged for their own guitar player or singer on a souvenir poster rather than Elvis Presley, with respect to whom they have no rights.

Petitioners' third contention, that this case differs from *Zacchini* because in the latter the appropriation related to the very activity by which the entertainer acquired his reputation, is also misplaced. The record is clear that Elvis Presley earned a substantial amount of money from licensing the use of his name and likeness on souvenir merchandise during his lifetime (AA-4). *Zacchini* does not hold that the appropriated activity need be the entertainer's primary activity. For example, although the primary activity of a baseball player is playing ball, part of his income may well come from selling the right to use his name and likeness (see *Haelan, supra*).

Finally, petitioners contend that *Zacchini* did not involve a prior restraint whereas the instant case does. The cases cited by petitioners for this proposition involve the imposition of restraints prior to a hearing. In the instant case, there was a full hearing and petitioners were afforded an opportunity to present evidence and conduct discovery prior to the issuance of any injunction. More importantly, if petitioners are correct, the absence of injunctive relief in the face of an unwarranted commercial appropriation of an entertainer's right of publicity would totally emasculate the right of publicity.

Thus, since it is apparent that the four grounds of distinction asserted by petitioners are inapplicable, *Zacchini* is controlling and the petition must be denied.

C. The *Paulsen* and *Current Audio* Opinions Relied Upon By Petitioners Are Consistent with *Zacchini* and the Decisions Below.

Despite the clear holding of *Zacchini*, petitioners nonetheless argue that their activities are privileged and that their so-called "memorial poster" is protected as a "newsworthy" exception to the "right of publicity" — an exception which they claim is established under New York law by two state trial court decisions rendered long before *Zacchini*, *Paulsen v. Personality Posters, Inc.*, 59 Misc. 2d 444, 299 N.Y.S.2d 501 (Sup. Ct. 1968) and *Current Audio, Inc. v. RCA Corporation*, 71 Misc.2d 831, 337 N.Y.S.2d 949 (Sup. Ct. 1972).[5] They assert that *Paulsen* considered the right of publicity and found that it did not apply to the sale of posters, particularly posters "in conjunction with the dissemination of news or public interest presentations" (petition, pp. 6-7). They infer that *Current Audio* affirmed the holding in the *Paulsen* case exempting the use of the name or likeness of a famous individual commemorating a newsworthy event (petition, pp. 7-8).

Not only is the continuing vitality of *Paulsen* and *Current Audio* doubtful in the wake of the *Zacchini* decision, but we submit that petitioners' activities are not privileged as legitimate news and, further, that petitioners' arguments do violence to the holdings of *Paulsen* and *Current Audio*. Those cases afford them neither comfort nor protection.

In *Paulsen*, a well known entertainer entered the 1968 Presidential race as the "STAG" party candidate. He brought his "right of privacy" action solely under Section 51 of the New York Civil Rights Law. He sought to

---

[5] These decisions of the lowest court of the State of New York were also rendered on motions rather than upon trial.

enjoin distribution of posters bearing his likeness with the notation "For President." The case was dismissed by the court. Noting that his candidacy "satirical or otherwise" had been the subject of comment by communication media, including a front page news article in the Wall Street Journal, the court stated:

> "It is apparently plaintiff's position that since 'he is only kidding' and his presidential activities are really only a 'publicity stunt' they fall outside the scope of constitutionally protected matters of public interest. Such premise is wholly untenable. When a well-known entertainer *enters the presidential ring,* tongue in cheek or otherwise, it is clearly newsworthy and of public interest. A poster which portrays plaintiff *in that role,* and reflects the spirit in which he approaches *said role,* is a form of public interest presentation to which protection must be extended." 299 N.Y.S.2d at 507 (emphasis added).

Thus, *Paulsen* involved a Presidential election — a uniquely newsworthy event given the broadest possible First Amendment protection. Indeed, the significant First Amendment questions and the issues of satire raised by *Paulsen* have resulted in that case being limited to its "unique facts" by the very court that decided it. See *Rosemont Enterprises, Inc. v. Urban Systems, Inc.*, 72 Misc. 2d 788, 340 N.Y.S.2d 144 (1973). See also *Groucho Marx Productions, Inc. v. Playboy Enterprises, Inc.* (No. 77-1782, S.D.N.Y., filed December 30, 1977).

In *Current Audio* the court correctly concluded that Elvis Presley's appearance at a *press conference* was not part of the exercise of his "right of publicity" (which was accorded express recognition) and that, in effect, his statements at the press conference were intended as

news and were freely available for that purpose.[6] In support of its holding, the court opined that: "A press conference stands as the very symbol of a free and open press . . ." Accordingly, it refused to enjoin defendant from marketing a magazine which included a phonograph recording of a portion of Presley's press conference. No suggestion can reasonably be made by petitioners that celebrity souvenir posters stand as the very symbol of a free and open press.

Most significantly, the so-called memorial poster is simply not a genuine attempt to convey news. The addition of the words "In Memory . . . 1935-1977" to Mr. Presley's picture is a mere subterfuge — a disingenuous and transparent effort to "appropriate the benefit of [Mr. Presley's] publicity for a private use. . . ." *Zacchini, supra,* 97 S.Ct. at 2860, Stevens, J. dissenting.

Thus, it is submitted that the District Court below properly held that "there is no constitutional protection for selling posters of Elvis Presley as Elvis Presley" (AA-12), that the Court of Appeals properly held that petitioner Pro Arts' insertion of the legend "In Memory" did not place "its poster in the same category as one picturing a presidential candidate, albeit a mock candidate" and therefore its poster "was not privileged as celebrating a newsworthy event" (C-15) and that both courts correctly rejected petitioners' specious privilege argument.

---

[6] In that case, decided several years prior to *Zacchini*, the court refused to enjoin a magazine from publishing in phonograph record form excerpts from a press conference held by Mr. Presley on the grounds that his appearance at the press conference had made his words "newsworthy" and a matter of "public interest", thereby investing others with the constitutional right to disseminate his words. In contrast, respondents are not seeking to enjoin the dissemination of news and the petitioners here can make no legitimate claim that they are disseminating news. News of Presley's death and subsequent events were fully reported by the media. Respondents seek only to preserve the exclusivity of their rights which petitioners have crassly misappropriated for commercial profit.

2. NO QUESTIONS RAISED BY PETITIONERS IN THE INSTANT CASE WERE LEFT UNANSWERED IN *ZACCHINI*.

Even under the analysis suggested by Justices Powell, Brennan and Marshall in their dissent in *Zacchini*, the same result reached by the majority in *Zacchini* would be mandated in the instant case. In balancing an entertainer's right of publicity and the public's First Amendment rights, the dissent stated that an entertainer, having made a matter public, could not "consistently with the First Amendment, complain of *routine news reportage.*" (emphasis added). Whatever else petitioners might argue, they would be hard pressed to suggest that their mass merchandised sale of their celebrity souvenir poster constitutes "routine news reportage".

The dissent also stated that it would have held that "When a film is used . . . for a *routine portion of a regular news program,* . . . the First Amendment [would] protect the station from a 'right of publicity' or 'appropriation' suit, *absent a strong showing by the plaintiff that the news broadcast was a subterfuge or cover for private or commercial exploitation.*" (emphasis added). As previously discussed, petitioners' merchandising of celebrity souvenir posters is in no sense tantamount to "a routine portion of a regular news program". Moreover, in the instant case petitioners' intention to engage in private commercial exploitation is unquestioned; the only subterfuge is the disingenuous argument advanced in the petition that the poster carries a "newsworthy" message of public interest.

3. THE INJUNCTION ENTERED AGAINST PETITIONERS IS SUFFICIENTLY NARROW TO RESTRAIN PETITIONERS WITHOUT ANY ABROGATION OF FIRST AMENDMENT RIGHTS.

As has been demonstrated above, petitioners' assertion that their celebrity personality poster, which constitutes nothing more than souvenir merchandise, is entitled to First Amendment protection is without support in law or fact. Accordingly, petitioners' contention that the injunction entered against them is impermissibly overbroad is baseless.

Petitioners intentionally seek to confuse the issue when they state that "the injunction here . . . mandates blanket suppression of all future uses of the Elvis Presley name, likeness, or image . . ." (petition, p. 19). In fact, *petitioners* have merely been *enjoined* from manufacturing, distributing, or selling *posters identical or similar* to the offending commercial celebrity poster or *utilizing for commercial profit* the name, image or likeness of Elvis Presley. No prohibition against the use of Presley's name, likeness or image has been imposed upon, or sought by respondents with respect to, any news or informational coverage, whether in magazines, newspapers, television programs, books or other media relating to Elvis Presley's life or death.

The entry of the preliminary injunction in this action, contrary to petitioners' claim, has had absolutely no chilling or dampening effect on members of the communications media with respect to the use of Presley's name, image or likeness. To the contrary, the fact of Presley's death, which is the only arguably "newsworthy" item conveyed by petitioners' poster, has been communicated to the public *ad nauseum* by every organ of the communications media. *The terms of the injunction restrain only petitioners and only insofar as such use is for commercial profit.* Such an injunction is surely sufficiently limited to

protect respondents' rights without impinging upon any First Amendment rights of petitioners or any other person.

CONCLUSION

It is respectfully submitted that for all the foregoing reasons, the petition for writ of certiorari should be denied.

Respectfully submitted,

MICHAEL C. SILBERBERG
645 Fifth Avenue
New York, New York 10022
(212) 935-9800

ARTHUR FIELDS AND
EDWARD A. WOODS
9401 Wilshire Boulevard
Ninth Floor
Beverly Hills, California 90212
(213) 273-6333

Attorneys for Respondents

APPENDIX AA

Opinion of the District Court

UNITED STATES DISTRICT COURT

Southern District of New York

No. 77 Civ. 4400 (CHT)

Oct. 12, 1977

FACTORS ETC., INC. AND BOXCAR ENTERPRISES, INC.,

Plaintiffs,

vs.

CREATIVE CARD COMPANY, THE POSTERMAT INC., SPECIAL CARD & GIFT MALL, INC., AND THE CARD CENTER,

Defendants.

APPENDIX AA

Opinion of the District Court

FACTORS ETC., INC. AND BOXCAR ENTERPRISES, INC.,

Plaintiffs,

vs.

CREATIVE CARD COMPANY, THE POSTERMAT INC., SPECIAL CARD & GIFT MALL, INC., AND THE CARD CENTER,

Defendants.

No. 77 Civ. 4400 (CHT).

United States District Court,

S. D. New York.

Oct. 12, 1977.

OPINION

TENNEY, District Judge.

Plaintiffs have moved this Court for a preliminary injunction pursuant to Rule 65 of the Federal Rules of Civil Procedure ("Rules") to restrain defendant Creative Card Company from the manufacture, distribution and sale of any poster or other commercially exploitive souvenir merchandise bearing the likeness of the late entertainer Elvis Presley. Plaintiffs claim possession of an exclusive right to that activity, based on a "right of publicity" assigned by Elvis Presley in life. Defendant Creative Card Company, an Illinois corporation, disputes the existence and assignment of this right, and has also moved for dismissal under Rule 12(b) on the grounds of lack of personal jurisdiction and/or improper venue in the Southern District of New York. The Court has determined that it has jurisdiction over defendant Creative Card Company and that venue is properly laid here.

Accordingly, the motion to dismiss under Rule 12(b) is denied. In addition, by the tests for preliminary relief articulated in this circuit, I conclude that plaintiffs have made "a clear showing of . . . probable success on the merits *and* possible irreparable injury." *Sonesta International Hotels Corp. v. Wellington Associates,* 483 F.2d 247, 250 (2d Cir. 1973) (emphasis in the original). Therefore, plaintiffs' motion under Rule 65 is granted. The reasons for the Court's conclusions are set forth below.

THE FACTS

On August 16, 1977, Elvis Presley, without doubt a world famous celebrity-entertainer, died at the age of forty-two. During life his professional career and the commercial exploitation of his person were managed exclusively by "Colonel" Tom Parker,[1] as demonstrated by the deposition of Col. Parker begun on September 30, 1977 and continued on October 1, 1977, and the documents appended thereto. On March 26, 1956, Presley and Parker entered into a written management contract which, although it does not specifically allude to souvenir merchandise, authorizes Parker to act exclusively for Presley "in any and all fields of public and private entertainment . . . embracing any and all branches thereof now known or hereafter coming into existence." Plaintiffs' Supplemental Memorandum, Exhibit C. However, that items of merchandise were clearly contemplated by the parties becomes apparent in later agreements including, inter alia, one concluded a few months later among Parker, Presley and a Mr. Saperstein of Special Projects, Inc., a merchandising company. *Id.,* Exhibit D. The Special Projects organization was made "exclusive agent" for a period of time to license other firms "in connection

[1] Col. Parker acknowledges that his title is of the Southern rather than the military variety in his deposition, September 30, 1977, page 4, line 27.

with the sale, marketing and exploitation of consumer items." *Id.*

All manner of merchandise was thereafter covered by numerous licensing agreements with sub-licensees. *E. g., id.*, Exhibits E, F & G. Although these and the Special Projects agreement, *supra,* refer to the late 1950's, an early period in the Presley career, a subsequent merchandising agreement between Presley and Parker, the latter doing business as "All Star Shows," dated May 25, 1963, *id.*, Exhibit H, refers to the production of and distribution of profits from "Merchandising — Special Souvenir Folios and Pictures." Later signed agreements between Parker and Presley specifically allude to "merchandising agreement[s]." The last of these is dated January 22, 1976. *Id.*, Exhibits I & J.

Plaintiff Boxcar Enterprises, Inc. ("Boxcar") entered into the Presley-Parker relationship as a corporation formed in January 1974. The Court does not have before it the certificate of incorporation, but Col. Parker has testified that he owned 56% of the shares and that Presley and one Tom Diskin, President of Boxcar, each owned 22%. Parker Depos. at 49, lines 21-26. There is, from this point on, some confusion as to which entity — Boxcar or Col. Parker doing business as All Star — handled merchandising, but there are numerous exhibits of checks issued from Boxcar to Elvis Presley bearing such notations as "For Royalty Earnings From Sales of Elvis Presley Souvenir Material On Tour June 25th through July 5th, 1976 as per contractual agreement." Plaintiffs' Supp. Mem. Exhibit L. (Further checks and royalty statements from Boxcar to the Elvis Presley Estate have also been submitted. *Id.* Exhibit L.) On August 18, 1977, two days after the entertainer's death, plaintiff Boxcar entered into an agreement with plaintiff Factors Etc., Inc. ("Factors") which purported to afford the latter an exclusive license to use the Presley likeness in connection

with all souvenir merchandise. Complaint, Exhibit A. On August 24, 1977, Vernon Presley, father of the deceased and executor of his estate, agreed to a royalty arrangement with Boxcar as "Merchandising Representatives for the Elvis Presley Estate." Plaintiffs' Supp. Mem. Exhibit N. Vernon Presley also wrote to Col. Parker on August 23, 1977 asking Col. Parker to "carry on according to the same terms and conditions as stated in the contractual agreement you had with Elvis dated January 22, 1976." *Id.*, Exhibit M.

DEFENDANT'S POSITION

Defendant argues along several lines, the most germane of which are: (1) that plaintiff Boxcar never acquired the exclusive right to merchandise the Presley name and image; (2) that even if Boxcar did have such a right in Presley's lifetime, that right died with the entertainer; (3) that this Court has no jurisdiction of defendant and/or venue is improperly laid here. Although the Court would normally dispose of the procedural questions of jurisdiction and venue before moving to the substantive issues, in this particular case the latter must be considered first because the procedural issues depend on a clear definition of the applicable substantive rights.

THE MERITS

The Presley/Parker/Boxcar/Factors Relationship

It is hornbook law that where there is ambiguity in a contract the intent of the parties may be ascertained by reference to their subsequent course of conduct. *Gordon v. Vincent Youmans, Inc.*, 358 F.2d 261 (2d Cir. 1965); *Portsmouth Baseball Corp. v. Frick*, 278 F.2d 395 (2d Cir.), *cert. denied*, 364 U.S. 831, 81 S.Ct. 71, 5 L.Ed.2d 58 (1960); 1 Corbin, *Contracts* § 101 (1964). For more than twenty years, Elvis Presley and Col. Parker had a work-

ing relationship where the division of labor was apparent: one performed, the other promoted. If some of the documents memorializing this activity are less artful than those which some professional counsel can draft, they are no less valid. Defendant points to inconsistencies in the statements of Col. Parker and others as to who held the right to "merchandise" the Presley image during his lifetime — Presley himself, Parker, or, eventually, Boxcar. In view of the Parker-Presley agreements, the uncontested allegation that Presley himself was a 22% shareholder of Boxcar and the fact that Boxcar paid royalties to Elvis Presley for souvenir merchandise sold, it seems clear enough, at least for purposes of a preliminary injunction, that Presley gave Parker leave to exploit his image through merchandise and that Boxcar was, in recent years, the vehicle through which such merchandising was carried on. Defendant's allusions to defective links in the chain of title in Boxcar, Defendant's Mem. in Oppos. 15-18, lose sight of the true facts: these entities involved the same people. With the exception of Diskin they had been doing business together for twenty years.[2] None of the parties to the Presley-Parker business relationship appears to have been dissatisfied. Vernon Presley stated on CBS television on October 3, 1977: "Colonel Parker is an honest man. And I think that's where the big organization and the big togetherness comes, you know. Once you find out you don't have to worry about a guy being your manager, what he can do for you, he handles it. You do the show. Everything works fine." Plaintiffs' Supp. Mem. at 4. The Court takes note of the fact that these remarks were represented as having been recorded *prior* to Presley's death.

[2]Defendant has no standing to attack the administration of Boxcar's financial affairs or to raise inferences of self-dealing; that is the province of the state of incorporation in a quo warranto proceeding. *American Co-op Serum Association v. Anchor Serum Co.*, 153 F.2d 907 (7th Cir.), *cert. denied*, 329 U.S. 721, 67 S.Ct. 57, 91 L.Ed. 625 (1946).

The Right of Publicity

By far the most interesting issue in this case is whether Boxcar had anything to transfer to Factors when it entered into the August 18, 1977 "exclusive licensing" contract. After consulting the case law and certain commentaries in this field, *e. g.*, Gordon, *Right of Property in Name, Likeness, Personality and History*, 55 Nw.U.L. Rev. 553 (1960); Nimmer, *The Right of Publicity*, 19 Law & Contemp. Probl. 203 (1954); Note, *The Right of Publicity — Protection for Public Figures and Celebrities*, 42 Brooklyn L.Rev. 527 (1976), I have concluded that it did. It appears that a recognized property right, the "right of publicity," inhered in and was exercised by Elvis Presley in his lifetime, that it was assignable by him and was so assigned, that it survived his death and was capable of further assignment.

The "right of publicity" is not a new concept, but, to the detriment of legal clarity, it has often been discussed only under the rubric "right of privacy." It is said that the right of privacy embraces "four distinct kinds of invasion of four different interests of the plaintiff, which are tied together by the common name, but otherwise have almost nothing in common *except that each represents an interference with the right of the plaintiff 'to be let alone.'*" W. Prosser, *Torts* 804 (4th ed. 1971) (emphasis added). It is this language which is at the root of the conceptual difficulty in the "right of publicity" area. Dean Prosser recognized that the fourth species of right of privacy tort, *i. e.*, the appropriation of plaintiff's name or likeness for defendant's benefit, is distinct from "intrusion upon the plaintiff's physical solitude or seclusion," "public disclosure of private facts," or "false light in the public eye," *id.* at 807, 809, 812, in that "appropriation" is the only one which "involves a use for the defendant's advantage." *Id.* at 814. However, Prosser has failed to discuss the fact that appropriation of plaintiff's name

and likeness for defendant's financial advantage has different consequences in a case where the celebrity himself has attempted to commercialize his own name and face. It is evident that courts address intrusions on feelings, reputation and privacy only when an individual has elected not to engage in personal commercialization. By contrast, when a "persona" is in effect a product, and when that product has already been marketed to good advantage, the appropriation by another of that valuable property has more to do with unfair competition than it does with the right to be left alone. *See Ettore v. Philco Television Broadcasting Corp.*, 229 F.2d 481, 490 (3d Cir. 1956); *Uhlaender v. Henricksen*, 316 F.Supp. 1277, 1282 (D.Minn. 1970).

This distinction was recognized recently in the United States Supreme Court. *Zacchini v. Scripps-Howard Broadcasting Co.*, 433 U.S. 562, 97 S.Ct. 2849, 53 L.Ed.2d 965 (1977). A television station had broadcast plaintiff's 15-second "human cannonball" act in its entirety and, in response to plaintiff's suit for invasion of his "right of publicity," claimed the first amendment privilege to report newsworthy events. The constitutional argument was persuasive to the Ohio Supreme Court, but the United States Supreme Court reversed. In its discussion the *Zacchini* Court stated:

> "[T]he State's interest in permitting a 'right of publicity' is in protecting the proprietary interest of the individual in his act in part to encourage such entertainment. As we later note, the State's interest is closely analogous to the goals of patent and copyright law, focusing on the right of the individual to reap the reward of his endeavors and having little to do with protecting feelings or reputation. . . . An entertainer such as petitioner usually has no objection to the widespread publication of his act so long as he gets the commercial benefit of such publication.
>
> • • •

> " 'The rationale for [protecting the right of publicity] is the straightforward one of preventing unjust enrichment by the theft of good will. No social purpose is served by having the defendant get for free some aspect of the plaintiff that would have market value and for which he would normally pay.' Kalven, Privacy in Tort Law — Were Warren and Brandeis Wrong?, 31 Law and Contemporary Problems, 326, 331 (1966)." *Id.* at 573-576, 97 S.Ct. at 2856-57 (footnote omitted).[3]

This circuit was in the vanguard in recognizing the right of publicity and its assignability. In *Haelan Laboratories, Inc. v. Topps Chewing Gum, Inc.*, 202 F.2d 866 (2d Cir.), *cert. denied*, 346 U.S. 816, 74 S.Ct. 26, 98 L.Ed. 343 (1953), plaintiff manufacturer held a baseball player's exclusive product endorsement contract and sued a rival manufacturer for infringement. In finding for the plaintiff, the court stated:

> "We think that, in addition to and independent of that right of privacy (which in New York derives from statute), a man has a right to the publicity value of his photograph, *i. e.*, the right to grant the exclusive privilege of publishing his picture, and that such a grant may validly be made 'in gross,' *i. e.*, without an accompanying transfer of a business or of anything else. Whether it be labelled a 'property' right is immaterial. . . .

---

[3] While the Court stated that the facts in *Zacchini* present "what may be the strongest case for a 'right of publicity' — involving not the appropriation of an entertainer's reputation to enhance the attractiveness of a commercial product, but the appropriation of the very activity by which the entertainer acquired his reputation in the first place," *id.*, the instant action does not present the Presley name or his fact *enhancing* a product – Presley *is* the product. Furthermore, it is not unreasonable to conclude that Elvis Presley's act included the totality of his persona – performance, image and name. At the very least the Presley visage is obviously an aspect of the performer having a high market value, as evidenced by the competition which has given rise to this case.

"This right might be called a 'right of publicity.' . . ." *Id.* at 868.

More recent decisions have clearly labelled the "right of publicity" a species of "property." *Cepeda v. Swift & Co.*, 415 F.2d 1205 (8th Cir. 1969); *Price v. Hal Roach Studios, Inc.*, 400 F.Supp. 836 (S.D.N.Y.1975); *Sharman v. C. Schmidt & Sons, Inc.*, 216 F.Supp. 401 (E.D.Pa. 1963); *cf. Ettore v. Philco Television Broadcasting Corp., supra; O'Brien v. Pabst Sales Co.*, 124 F.2d 167 (5th Cir. 1941), *cert. denied*, 315 U.S. 823, 62 S.Ct. 917, 86 L.Ed. 1220 (1942); *id.* at 170-71 (Holmes, J., dissenting); *Grant v. Esquire, Inc.*, 367 F.Supp. 876 (S.D.N.Y.1973).

Price v. Hal Roach Studios, Inc., supra, a case decided in this district, is particularly interesting because it is the only reported decision known to this Court where the right of publicity was deemed descendible. In that case the widows of Stan Laurel and Oliver Hardy and another party claiming the right to exploit the Laurel and Hardy image through merchandise sued to restrain defendants from infringing on that right. Plaintiffs set up the exclusivity of a prior contract covering commercial merchandise which had been entered into by Stan Laurel, Hardy's widow, and the plaintiff licensee. Although there was no evidence to show that the comedians had ever exploited their own personalities through merchandising efforts, the *Price* court, relying on the distinction between a personal right of privacy which is extinguished at death and a valuable, alienable property right in name and image, *i. e.*, the "right of publicity," asked "what policy should operate to cut off this [latter] right at death?" 400 F. Supp. at 844. The *Price* court could find none, and on the much stronger facts here presented, this Court adopts that view. There is no reason why the valuable right of publicity — *clearly exercised by and financially benefiting Elvis Presley in life* — should not descend at death like any other intangible property right.

One of the cases upon which defendant relies is thus easily distinguishable. In *Guglielmi v. Spelling-Goldberg Prods.*, 140 Cal.Rptr. 775 (Cal.Ct.App., 2d App.Dist. 1977), the heir of Rudolph Valentino laid exclusive claim to the actor's surviving right of publicity and protested the contents of a Valentino biography produced by defendants. Although the court determined that biographical material about Valentino was protectible under the first amendment (a conclusion with which this Court agrees) and that the right-of-publicity action was merely a ploy for bringing an otherwise impermissible defamation action, the court nevertheless addressed the right-of-publicity claim:

> "[W]e hold that the right to exploit name and likeness is personal to the artist; *if not exploited by him during his life*, his name and likeness may be used by another without liability. . . ." *Id.* at 779 (emphasis added).

Although the facts of this case dictate a different outcome, this Court's legal conclusion is in complete harmony with the holding in the *Guglielmi* case: Elvis Presley did in life actively exploit protectible commercial rights which defendant here seeks to invade.[4]

The other cases cited by defendants are far off the mark. *Paulsen v. Personality Posters, Inc.*, 59 Misc.2d

---

[4] Defendant relied as well on another California case in which the heirs of Bela Lugosi asserted a right-of-publicity claim based on the actor's image as Dracula. Examination of the intermediate appellate opinion in that case reveals that while plaintiff was denied relief on the facts (after prevailing at trial), the court recognized a right of publicity, provided it was actively exploited by the celebrity in life. However, the California Supreme Court has now accepted the case for hearing, *Lugosi v. Universal Pictures*, Cal.App. 139 Cal.Rptr. 35 (1977), and that procedural step operates to render the intermediate appellate opinion a nullity, having no force or effect as a judgment or authority as a statement of legal principle. *Knouse v. Nimocks*, 8 Cal.2d 482, 66 P.2d 438 (1937). Therefore, the intermediate appellate opinion cannot be considered, either by defendant which relies on it, or by this Court, which can distinguish it.

444, 299 N.Y.S.2d 501 (Sup.Ct.1968), involved a comedian who thrust himself into a political campaign as a bogus presidential candidate and whose picture in that guise was widely circulated as a poster. The case appears to have been decided in favor of the unlicensed poster manufacturer because Paulsen's choice of the political arena for satire made him "newsworthy" in the first amendment sense.[5] There is no constitutional protection for selling posters of Elvis Presley as Elvis Presley.

Finally, defendants cite *Maritote v. Desilu Productions, Inc.*, 230 F.Supp. 721 (N.D. Ill. 1964), *aff'd*, 345 F.2d 418 (7th Cir.), *cert. denied*, 382 U.S. 883, 86 S.Ct. 176, 15 L.Ed.2d 124 (1965), where the widow and son of Al Capone sued the producers of a television series which depicted Capone in dozens of episodes, purported to quote him in conversation and so on. Both the trial court and the appellate court in *Maritote* refused to consider the claim of "unjust enrichment" advanced by plaintiffs, a claim which may be construed as a poorly articulated "right of publicity" assertion. In the opinion of this Court, the decision against plaintiffs was quite correctly taken in that any "right of privacy" died with Al Capone and could not thereafter be invaded. Furthermore, there could be no valid, surviving claim based on a right of publicity as this Court construes it. Whatever else Al Capone was doing in life, he was not trying to create an image with widespread commercial appeal.

On the basis of the foregoing, the Court concludes that the facts of the instant case demonstrate a strong likelihood that plaintiffs will prevail on the merits at trial.

[5] The *Paulsen* case was held "unique to its facts" only a few years later by *Rosemont Enterprises, Inc. v. Urban Systems, Inc.*, 72 Misc.2d 788, 340 N.Y.S.2d 144 (Sup.Ct.), *modified*, 42 A.D.2d 544, 345 N.Y.S.2d 17 (1st Dep't 1973) (impermissible infringement on an exclusive license to exploit the name and personality of Howard Hughes).

Irreparable Harm

Having satisfied one of the *Sonesta* mandates, *i. e.*, that a preliminary injunction may not issue absent probable success on the merits, the Court must address the second aspect of that test: whether plaintiff is exposed to possible irreparable injury. The market for Presley memorabilia has been described by defense counsel in the companion action to this one, *Factors Etc., Inc. v. Pro Arts, Inc.*, D.C., 444 F.Supp. 288 (CHT), as "evanescent," and while the Court will not ascribe to one defendant the opinion of another, the word is probably apt. Furthermore, while defendant in this case has suggested that it is easily capable of responding in damages, using as a measure the number of allegedly infringing Elvis Presley posters that it sells during the period of litigation on the merits, this argument assumes that any consumer bent on acquiring an Elvis Presley poster will, if plaintiffs' similar merchandise is not before him, purchase defendant's merchandise rather than abandon the whole project. Suffice it to say that the vagaries of consumer buying are such that proof of damages would be extremely difficult. *See Omega Importing Corp. v. Petri-Kine Camera Co.*, 451 F.2d 1190 (2d Cir. 1971).

However, the Court need not determine possible irreparable damage by speculating on the caprice of the consumer market. Plaintiff Factors claims that its licensing program for articles other than posters is jeopardized by its inability to grant exclusive rights. In support of this proposition, it submits the affidavit of Daniel H. Lidman, one of the attorneys representing plaintiffs, whose detailed assertions, apparently made on personal knowledge, reveal that a prominent toy manufacturer with plans to market an Elvis Presley jigsaw puzzle as a sublicensee of Factors has already been beaten to the marketplace by another "unlicensed" manufacturer. The Court con-

cludes that there is a rush to capitalize on the Presley image in this postmortem period,[6] and that if Factors has exclusive property rights in the manufacture and marketing of Presley souvenir merchandise, as it so appears, then it must be protected at this time.

JURISDICTION

Having identified the right asserted here as "property" and its infringement as a species of unfair competition, it is to the law of that tort that the Court looks to determine the correctness of jurisdiction in this district. Jurisdiction is based on diversity of citizenship, 28 U.S.C. § 1332, and in a diversity action a federal court must determine a question of personal jurisdiction according to the laws of the state in which it is sitting. *Arrowsmith v. United Press Int'l*, 320 F.2d 219 (2d Cir. 1963) (en banc). In this case the applicable law is that of New York, specifically the provision of its "long-arm" statute which gives New York courts jurisdiction over any nondomiciliary who commits "a tortious act within the state." N.Y.C.P.L.R. § 302(a)(2). As to the tort of unfair competition "the wrong takes place . . . where the passing off occurs." *Vanity Fair Mills, Inc. v. T. Eaton Co.*, 234 F.2d 633, 639 (2d Cir. 1956), *cert. denied*, 352 U.S. 871, 77 S.Ct. 96, 1 L.Ed.2d 76; *see Car-Freshner Corp. v. Broadway Mfg. Co.*, 337 F.Supp. 618 (S.D.N.Y.1971); *Carter-Wallace, Inc. v. Ever-Dry Corp.*, 290 F.Supp. 735 (S.D.N.Y.1968). Clearly the Court has jurisdiction over the defendant on the basis of the sale of its infringing merchandise in New York.

---

[6] The cover of *People* magazine for October 10, 1977 depicts all manner of Elvis Presley souvenir merchandise under the headline "Remembering Elvis/Imitators, fans & rip-offs launch a billion dollar industry."

VENUE

Venue in this district is less clear. In a diversity case venue is covered by 28 U.S.C. § 1391(a), which reads:

> "A civil action wherein jurisdiction is founded only on diversity of citizenship may, except as otherwise provided by law, be brought only in the judicial district where all plaintiffs or all defendants reside, or in which the claim arose."

Defendant contends that this district is not "where the claim arose," as that phrase has been construed, despite the fact that its allegedly infringing goods are sold here. It is true, as defendant asserts and courts have recognized, that in a "transitory" cause of action like the instant one, where the tort arises at the point of purchase, there is a danger that the "claim arose" language in section 1391(a) might be construed to permit a plaintiff to sue in any district into which the defendant has shipped infringing goods. In *Honda Associates, Inc. v. Nozawa Trading, Inc.*, 374 F.Supp. 886, 890 (S.D.N.Y. 1974), a trademark action, the court quite correctly would not infer any such legislative intent. It therefore framed the issue thusly: does " 'the claim' . . . mean the largest part of the claim, a substantial part thereof, or any part thereof"? Because the defendant in *Honda* had sent only 20 of the allegedly infringing mail order catalogues into New York in five years and had sold a total of only $37 worth of allegedly infringing goods in New York in four years, the *Honda* court concluded that defendant's contacts with this district, for venue purposes, were "miniscule" and that the claim did not "arise" here in the statutory sense. Although it analogized its method to a "weighing of contacts" analysis used in securities and antitrust cases, the court in *Honda* refused to determine whether "the largest part of the claim" or "a substantial part thereof" was necessary to support venue, and specifically rejected a standard by which trademark infringe-

ment cases could only be brought where the greatest volume of infringing actively occurred. *Id.* at 892.

Other courts have found the *Honda* "more than miniscule contacts" test appropriate for determining venue in situations similar to that at bar. In *Tefal, S.A. v. Products Int'l Co.*, 529 F.2d 495 (3d Cir. 1976), the court found venue proper on the basis of five percent of defendant's infringing sales having been made in the district (although no dollar volume of sales was adduced in evidence) and because live sales demonstrations had been conducted in the district. In *Transamerica Corp. v. Transfer Planning, Inc.*, 419 F.Supp. 1261 (S.D.N.Y. 1976), venue was held improper where defendant had never earned a cent from New York sales, had no sales representative in New York and never sent an employee or agent into the district for business purposes. Both cases were decided by the yardstick of the *Honda* test.

The facts in this case clearly show "more than miniscule contact" with this district. By the affidavits of Mr. Burton Wall, president of defendant Creative Cards, the sales of that corporation for the year ending July 1977 exceeded seven million dollars, Wall Affidavit, sworn to September 27, 1977, ¶ 24; approximately 10% of that business (or $700,000 for that period) was in posters, Wall Affidavit, sworn to October 4, 1977, ¶ 3; New York accounted for 3% of poster sales (which, assuming nationwide sales for defendant's posters, makes New York, if not the most substantial market, then certainly not a miniscule one); and sales of Elvis Presley posters "through distributors, jobbers and retailers" in New York accounted for 0.8% of all poster sales for the eight months ending August 31, 1977. *Id.*

The jumble of figures may be reduced to this: Creative Card, through its C/C Sales Division, sold approximately $7,000 worth of Elvis Presley posters in New York in the first eight months of 1977. Defendant does not tell us

whether any of its other markets for Elvis Presley posters is more substantial than New York. Furthermore, these figures do not convey whether there was an increase in demand for Elvis Presley posters in New York after the entertainer's death, nor are they enlightening as to projected sales in New York alone and as compared to other districts.

Even were this Court to conclude that $7,000 of sales to the New York public in the first eight months of 1977 is "miniscule" — and such a conclusion cannot be reached in the absence of evidence demonstrating much greater sales of that merchandise in other districts — there are unrefuted allegations in the documents submitted by plaintiffs which add contacts beyond mere sales and harmonize the case more closely with *Car-Freshner Corp. v. Broadway Mfg. Co., supra.* In that case venue was held proper in this district where defendant had a sales representative in New York and its allegedly infringing products were sold in many retail outlets in the state. Plaintiffs allege similar facts here. They have submitted a sales order placed with David Oestreich, Inc., 225 Fifth Avenue, New York, N.Y. 10010, covering the purchase of six dozen of defendant's Elvis Presley posters. In the order form space marked "Factory Represented" is written "C & C Sales" (sic). Rohner Affidavit, sworn to October 4, 1977, Exhibit B. Defendant's poster is apparently being sold in New York through the Woolworth chain. Adler Affidavit, sworn to October 4, 1977, ¶ 3. In addition, plaintiffs initially joined several other retail outlets in this action, all of whom were purportedly selling defendant's poster. Rohner Affidavit, sworn to September 1, 1977, ¶¶ 4-7. (These named defendants have apparently defaulted.) Finally, plaintiffs have submitted the catalog from the New York Gift Show held August 14-19, 1977. Rohner Affidavit, sworn to October 4, 1977, Exhibit C. The catalog identifies both Creative Card Company and David Oestreich, Inc. as exhibitors

and, on the David Oestreich, Inc. descriptive page, states that Oestreich is "represented by" one Bill Dustin, who plaintiffs allege is connected with defendant Creative Card. *Id.* ¶ 4. Defendant acknowledges that Bill Dustin is "an employee of C/C Division of Creative Card." Wall Affidavit, sworn to September 21, 1977, ¶ 16.

The Court is satisfied that on the facts presented venue is fairly laid in this district. Before leaving the subject, however, it is necessary to address defendant's general argument against venue here. Creative Card states that it does all of its sales through independent distributors, jobbers or retailers in New York whose only contacts with the Illinois corporation are by phone or mail; that it is these independent entities who sell the allegedly infringing goods in the New York market; that Creative Card ships f. o. b. Chicago with the result that title to the goods passes in Illinois. Wall Affidavit, sworn to October 4, 1977, ¶¶ 2-9. A fortiori, the argument goes, defendant has no "contacts" with this district in the venue sense and therefore the instant suit "could and should" have been brought in the Northern District of Illinois. Defendant's Mem. 41. The evil in this contention is the converse of that addressed in *Honda,* where the concern was that a too-broad interpretation of "where the claim arose" could expose a multi-state tortfeasor to suit in any forum. Were the Court to accept the defendant's argument that the structure of its business insulates it from suit anywhere except in its resident forum, it would be sanctioning a construction of section 1391(a) that gives plaintiff no choice at all in a multi-state tort, and it would be impermissibly cancelling the words "where the claim arose" from that statute. This cannot be done.

CONCLUSION

Based on the foregoing analysis, defendant's motion to dismiss the instant claim for want of personal jurisdiction and/or improper venue under Rule 12(b) is denied, and plaintiffs' request for preliminary relief pursuant to Rule 65 is granted. Defendant Creative Card Company will be enjoined from manufacturing, distributing, selling or by any other means profiting from souvenir merchandise bearing the name or likeness of the late Elvis Presley until the merits of the case are determined.

Order is being filed simultaneously herewith.

CERTIFICATE OF SERVICE

I, Edward A. Woods, one of the attorneys for respondents, hereby certify that on the 31st day of January, 1979, I served a true and correct copy of the foregoing Respondents' Brief in Opposition upon George Berger and Gregory W. Happ, attorneys for petitioners, by sending copies by guaranteed Express Mail, postage prepaid, addressed to George Berger, Esq., Phillips, Nizer, Benjamin, Krim & Ballon, 40 West 57th Street, New York, New York 10019 and Gregory W. Happ, Esq., 238 West Liberty, Medina, Ohio 44256, their last known respective addresses.

Edward A. Woods